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TELEGRAPH COMMISSION.

MARCH 3, 1883.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. BINGHAM, from the Committee on the Post-Office and Post-Roads, submitted the following

REPORT:

[To accompany bill H. R. 7542.]

The Committee on the Post-Office and Post-Roads, to whom was referred the bill (H. R. 227) "to provide for the appraisalment of the telegraph lines, property, and effects of companies acting under the provisions of the act of July twenty-fourth, eighteen hundred and sixty-six," entitled "An act to aid in the construction of telegraph lines, and to secure to the government the use of the same for postal, military, and other purposes"; the bill (R. R. 2990) "to establish postal telegraph lines in the United States"; the bill (H. R. 7199) "to create the postal telegraph of the United States," and the bill (H. R. 7542) "to authorize the appointment of a commission to examine into the telegraph service of the United States," having duly examined and considered the same, report to the House, with a favorable recommendation, bill H. R. 7542.

Your committee has carefully examined the several bills referred by the House, and is of the opinion that the bill No. 7542, "to authorize the appointment of a commission to examine into the telegraph service of the United States," as amended, will aid more largely in securing the necessary and important information for safe and wise legislation upon a system of telegraph service under the supervision of the government than by the adoption of any of the several bills that have been referred and examined.

Under date of January 18, 1883, the House, by resolution, requests the Secretary of War to furnish certain specified information, concerning the building of telegraph lines by the United States, and we submit herewith the letter of the Secretary of War in full:

WAR DEPARTMENT,
Washington City, January 31, 1883.

The Secretary of War has the honor to transmit to the House of Representatives, in response to its resolution of January 18, 1883, directing "that the Secretary of War be hereby requested to inform the House of Representatives what telegraph lines have been built under his direction by the Army of the United States; what disposition, if any, has been made of the same, and upon what terms, with maps showing all such lines now in use by the Army," a report of the Chief Signal Officer of the Army, with its accompanying map, giving the information called for, except as regards the lines constructed east of the Mississippi River, during the war of rebellion, which lines, being of only a temporary character, and long since abandoned, have not been embraced in said report.

ROBERT T. LINCOLN,
Secretary of War.

The SPEAKER of the House of Representatives.

REPORT ON UNITED STATES MILITARY TELEGRAPH LINES BUILT UNDER THE DIRECTION OF THE SECRETARY OF WAR.

I.—NORTHWEST DIVISION.

1. From Bismarek, Dak., via Fort Buford, Fort Keogh, Fort Ellis, Helena, Missoula, to Summit, Idaho.
 2. From Helena, Mont., to Fort Assinaboine, Mont.
 3. From Bismark, Dak., via Fort Sully and Deadwood, to Fort Keogh, Mont.
 4. From Fort Buford, Dak., via Camp on Poplar River and Rocky Point, to Fort Maginnis, Mont.
 5. From Fort Totten, Dak., to Larimore, Dak.
 6. From Fort Sisseton, Dak., to Webster, Dak.
- Total number of miles built in Northwest Division, 2,098.

II.—WASHINGTON AND IDAHO DIVISION.

1. From Dayton, Wash., via Colfax, Spangle, Spokane Falls, Fort Cœur d'Alene, to Summit, Idaho.
 2. From Pomeroy, Wash., to Fort Lapwai, Idaho.
 3. From Spokane Falls, Wash., to Fort Spokane, Wash.
- Total number of miles in Washington and Idaho Division, 325.

III.—OREGON DIVISION.

1. From Ashland, Oreg., via Linkville, Fort Klamath, and Lakeview, to Fort Bidwell, Cal.
- Total number of miles in Oregon Division, 234.

IV.—DEPARTMENT OF THE MISSOURI.

a. Wyoming Division.

1. From Rawlins, Wyo., to Camp on White River, Cal.
- Total number of miles, 144.

b. Colorado Division.

1. From Gunnison City, via Cantonment, on the Uncompahgre, to Montrose, Cal.
 2. From Fort Lewis to Durango, Cal.
 3. From Colorado Springs, Colo., to the summit of Pike's Peak, Colo.
- Total number of miles, 122.

c. New Mexico Division.

1. From Santa Fé, N. Mex., via Albuquerque and Fort Craig, to La Mesilla, N. Mex.
 2. From Fort Stanton, via Fort Craig, to San Marcial, N. Mex.
 3. From Fort Union, N. Mex., to Watrous, N. Mex.
 4. From Wingate, N. Mex., to Fort Wingate, N. Mex.
- Total number of miles, 472.

d. Indian Territory Division.

1. From Dodge City, Kans., via Fort Reno and Fort Sill, to boundary line on the Red River, Indian Territory.
 2. From Camp Supply, Ind. T., to Fort Elliott, Tex.
- Total number of miles, 411.
- Total miles in Department Missouri, 1,149.

V.—CALIFORNIA AND ARIZONA DIVISION.

1. From San Diego, Cal., via Campo, Yuma, Wickenburg, and Prescott, to Fort Verde, Ariz.
 2. From Phoenix, Ariz., to Fort McDowell, Ariz.
 3. From Maricopa Wells, Ariz., via Florence, Tucson, Camp Grant, Fort Bowie, Lordsburg, Silver City, La Mesilla, to El Paso, Tex.
 4. From Fort Apache, Ariz., to Camp Grant, Ariz.
 5. From Camp Thomas, Ariz., to San Carlos, Ariz.
 6. From Fort Cummings, N. Mex., to Florida Station, N. Mex.
 7. From Tucson, Ariz., to Fort Lowell, Ariz.
- Total miles in California and Arizona Division, 1,360.

VI.—TEXAS DIVISION.

1. From Denison, Tex., via Jacksborough, Fort Griffin, Coleman City, Fort Concho, Fort Stockton, and Fort Davis, to El Paso, Tex.
 2. From Jacksborough, Tex., to the boundary line on Red River, Tex. (connecting with Indian Territory lines).
 3. From Fort Concho, Tex., via Fort McKavett, Mason, San Antonio, Brackettville, Eagle Pass, Laredo, Rio Grande City, to Brownsville, Tex.
 4. From Fort Davis, Tex., to Manfa, Tex.
- Total miles in Texas Division, 1,585.

VII.—SEA-COAST LINES.

1. From Sandy Hook, via Barnegat City and Atlantic City, to Cape May, N. J.
 2. From Norfolk, Va., via Cape Henry, Cape Hatteras, and Cape Lookout, to Wilmington and Smithville, N. C.
 3. From the Delaware Breakwater, Del., via Ocean City, Md., to Chincoteague, Va.
 4. From Rockport, Mass., to Thatcher's Island, Mass.
 5. From Narragansett Pier, R. I., to Block Island, R. I.
- Total miles sea-coast lines, 604.

VIII.—LINES UNDER CONSTRUCTION.

1. From Port Angelos, Wash., to Cape Flattery, Wash.
 2. From Astoria, Oreg., to Fort Canby, Wash.
 3. From Angel Island, Cal., via Alcatraz Island, Point San José, and the Presidio of San Francisco, to Fort Point, Cal.
- Total number of miles under construction, 129.

IX.—LINES ABANDONED.

1. From San Diego, Cal., to Fort Grant, Ariz.
 2. From Santa Fé, N. Mex., to La Mesilla, N. Mex.
 3. From Fort Bowie, Ariz., to Silver City, N. Mex.
 4. From Fort Cummings, N. Mex., to Fort Davis, Tex.
 5. From Denison, Tex., to Jacksborough, Tex.
 6. From Deadwood, Dak., to Fort Keogh, Mont.
- Total number of miles abandoned, 1,685

RECAPITULATION.

Total number of miles built	7,355
Total number of miles abandoned	1,685
Total number of miles in operation	5,670
Total number of miles under construction	129

DISPOSITION MADE OF ABANDONED LINES.

The serviceable material from abandoned lines, such as wire, insulators, brackets, and all iron poles, is taken down and stored for future use, and accounted for as other public property. This is done whenever civil lines are constructed and can do the service. Unserviceable wooden poles are left standing.

Large quantities of old material have been used in the construction of new lines, and it is proposed to utilize the remainder in a similar manner.

Under date of the 12th of January, the House, by resolution, requested information from the Secretary of the Interior, to wit:

LAND-GRANT-RAILWAY TELEGRAPH LINES.

Mr. BINGHAM, from the Committee on the Post-Office and Post-Roads, reported back, with a favorable recommendation, the following resolution:

Resolved, That the Secretary of the Interior be requested to inform the House whether the various railroad companies incorporated by Congress or aided by bonds or lands have complied with the laws of Congress respecting the construction, operation, and maintenance of their own telegraph lines for the use of the government and the public, and if not, what companies have failed to do so.

Second. To inform the House what contracts, if any, exist between any of the railroad companies so aided and any telegraph company by which the railroad company may undertake to lease or assign its telegraph facilities or property, so far as it relates to the transmission of commercial messages for the government and the public.

The reply of the Secretary is herewith submitted :

Letter from the Secretary of the Interior, in response to a resolution of the House of Representatives, in relation to telegraph lines along the lines of land-grant railroads.

FEBRUARY 27, 1883.—Referred to the Committee on the Post-Office and Post-Roads and ordered to be printed.

DEPARTMENT OF THE INTERIOR,
Washington, February 27, 1883.

SIR: In answer to House resolution of the 12th ultimo, calling for information concerning telegraph lines along the lines of railroads subsidized by bonds or lands, I have the honor to transmit herewith copy of report on the subject, by the Commissioner of Railroads, under date of yesterday.

Very respectfully,

H. M. TELLER,
Secretary.

The Hon. SPEAKER of the House of Representatives.

DEPARTMENT OF THE INTERIOR,
OFFICE OF COMMISSIONER OF RAILROADS,
Washington, February 26, 1883.

SIR: I have the honor to return the resolution of the House of Representatives dated January 12, 1883, referred by you to this office, with the following answer:

In my report for 1882, page 202, a list is given of all the telegraph companies which have filed their acceptance of the provisions of the act of July 24, 1866, up to June 30, 1882, comprising fifty-five companies.

No returns are made to this office which would enable me to give specific answer to the very general inquiry it proposes. I have endeavored, however, to procure such information by special inquiry of the railroads as I was informed by the author of the resolution would be sufficient.

Replies have been received from the Union Pacific, Central Pacific, Southern Pacific, and Northern Pacific, the last of which was not received until this morning.

The president of the Union Pacific Railway Company answers:

"I have the honor to state, in answer to the first resolution, that this company has complied with the laws of Congress respecting the construction, operation, and maintenance of telegraph lines for the use of the government and the public.

"In answer to the second resolution, I have the honor to state that this company has not undertaken to lease or assign its telegraph facilities or property, so far as relates to the transmission of commercial messages for the government and the public."

The vice-president of the Central Pacific Railroad Company has sent certified copies of existing contracts between this road and those controlled by it, and the Western Union Telegraph Company, and writes me that—

"The Central Pacific Railroad Company, throughout the entire extent of its main line and branches so aided by bonds or by lands, has complied with the laws of Congress respecting the construction, operation, and maintenance of their own telegraph lines for the use of the government and the public, and that no contracts have been made by that company with any telegraph company by which it has undertaken to lease or assign any of its telegraph facilities or property."

The agent and attorney of the Southern Pacific Railroad Company writes me that it has fully complied with the laws of Congress respecting the construction, operation, and maintenance of its own telegraph lines for the use of the government and the public, and that it has not leased or assigned any of its telegraph facilities or property.

I am this morning in receipt of a communication from the president of the Northern Pacific Railroad Company, stating that—

"This company has complied and is complying with the laws of Congress respecting the construction, operation, and maintenance of its telegraph lines for the use of the government and the public; and that it has neither leased nor assigned, nor undertaken to lease or assign, its telegraph facilities nor property, so far as relates to the transmission of commercial messages for the government or the public, or otherwise."

The company entered into contract with the Northwestern Telegraph Company and the Western Union Telegraph Company, under date of May 1, 1880, by which these telegraph companies were to construct the telegraph lines of the Northern Pacific Company thereafter to be constructed, in manner and of quality and description, in all respects as required by the act of Congress, the Northern Pacific Company to pay a stipulated price for said construction and to terminate the contract fifteen years from its date.

"This company, in the mean time, is in no way hindered or debarred from performing any or all telegraph service on its lines, by itself or by any capable agent or agents it may employ."

I know of no further information in this office bearing upon the matters inquired of in the resolution.

Very respectfully,

WM. H. ARMSTRONG,
Commissioner.

Hon. H. M. TELLER,
Secretary of the Interior.

It is perhaps necessary to state that the information reported to the House by the honorable Secretary does not cover the broad and comprehensive inquiry of the House resolution. It is presumed, however, that the brief time allowed the Secretary prior to the adjournment of Congress rendered a full report from the many companies included in the scope of the resolution impossible.

The letter of the Hon. W. H. Armstrong, Commissioner of Railroads, is herewith submitted:

DEPARTMENT OF THE INTERIOR,
OFFICE OF COMMISSIONER OF RAILROADS,
Washington, February 24, 1883.

DEAR SIR: In reply to your telegram of the 20th instant, requesting to be informed what telegraph companies have accepted the provisions of the act of 1866, I have the honor to refer you to page 202 of the report of this office for 1882, which contains a list of all companies which have filed their acceptance of its provisions with the Postmaster-General.

The resolution of the House of Representatives dated January 12, 1883, has not been answered, because of the difficulty of obtaining the necessary information. Inquiries were promptly made of the leading railroad companies as to which you verbally stated you desired to be informed, but I have not yet received sufficient answers to enable me to write you as satisfactorily as I desire. I have to-day received a dispatch to the effect that matter in answer to my former inquiries will be mailed to-night.

I have concluded to delay my reply until Monday, when I will answer the resolution as fully as the information in this office will permit.

Very truly, yours,

W. H. ARMSTRONG,
Commissioner.

Hon. H. H. BINGHAM,
House of Representatives.

Department circulars and orders affecting the subsidized and land-grant railroads included in the act of Congress approved June 19, 1878, in addition to those set forth in Appendix 3.

RATES OF PAY FOR COMMUNICATIONS BY TELEGRAPH.

POST-OFFICE DEPARTMENT,
Washington, D. C., June 30, 1882.

Whereas by the act of Congress approved July 24, A. D. 1866, entitled "An act to aid in the construction of telegraph lines, and to secure to the government the use of the same for postal, military, and other purposes," in section second it is enacted: that telegraphic communication between the several departments of the Government of the United States and their officers and agents shall, in their transmission over the lines of said companies, have priority over all other business, and shall be sent at rates to be annually fixed by the Postmaster-General:

Now, therefore, in pursuance and by virtue of the authority on me by said act conferred, I, Timothy O. Howe, Postmaster-General of the United States, do hereby fix

the rates at which the telegraphic communications aforesaid shall be sent for the year commencing July 1, A. D. 1882, as follows, namely:

The rate for all telegraphic communications, sent otherwise than over circuits established by the Chief Signal Officer of the Army for the transmission of enciphered weather reports, shall be as follows, viz:

One cent per word for each circuit through which it shall be transmitted, said rate to be computed subject to the following conditions, viz:

A distance of 500 miles, as computed by the topographer of the Post-Office Department, shall be deemed a circuit, and the shortest practicable route of the company transmitting the message shall in all cases be the basis of computation.

If, in computing circuits, there shall be found one or more circuits and a fraction of a circuit, such fraction shall be deemed a circuit.

If a communication shall be sent a distance less than 500 miles, that distance shall be deemed a circuit.

All words of the communication transmitted are to be counted, excepting the date and place at which such communication is filed.

All messages of less than twenty-five words, address and signature included, shall be rated as if containing twenty-five words, and all messages exceeding twenty-five words shall be rated by the exact number of words they contain, address and signature included.

Each company will be allowed to charge for messages received from another line at the same rates as if received from the government direct for transmission over its own line.

Companies forwarding messages to another line will be entitled to compensation at established rates to the terminus of their lines, at the same rates as if for messages transmitted exclusively over their own lines.

The rate for all telegraphic communications in cipher known as the Signal Service weather reports shall not exceed six cents for each word of said report for each circuit over which they may pass, in accordance with the schedule of circuits and plans of the Chief Signal Officer of the Army, which are now or may hereafter be adopted by him for transmitting these reports. The amount thus estimated is to be taken in full payment for said reports; no additional allowance to be made for drops or office messages.

If at any time, from competition or other cause, telegraph rates should be reduced so that a message of ten words may be sent for the public at a less rate than that above mentioned for a twenty-five-word message, then, and in that case, this order shall be changed to meet such lower public rate; it being intended by this proviso that in no case shall the government be compelled to pay more for a twenty-five-word message, including address and signature, than the public is required to pay for a ten-word message, exclusive of such address and signature.

Special rates have been filed by the American Rapid Telegraph Company for telegrams between certain points, as follows, viz: Fifteen cents for twenty words, and five cents for each additional ten words or less, addresses and signatures excluded, between the following points:

Washington, D. C.; Baltimore and Conowingo, Md.; Springfield, Boston, Brighton, Great Barrington, Marlborough, North Attleborough, Waltham, and Worcester, Mass.; New York, Albany, Batavia, Amsterdam, Buffalo, Hudson, Jamestown, Little Falls, Lyons, Port Chester, Rochester, Rome, Salamanca, Schenectady, Syracuse, Troy, Utica, and Brooklyn, N. Y.; Newark, Paterson, Trenton, and Caldwell, N. J.; Philadelphia, Bedford, Bradford, Carlisle, Fannettsburg, Franklin, Greensburg, Harrisburg, Lancaster, Mercer, Newburgh, Newcastle, Oil City, Pittsburgh, Titusville, Zelenople, Warren, West Chester, York, Shrewsbury, and East Liberty Stock Yards, Pa.; Pawtucket and Providence, R. I.; Hartford, Willimantic, Bridgeport, New Haven, and Meriden, Conn.

Telegrams sent by all other companies between these points must be at these reduced rates.

All officers of the United States Government should indorse upon official messages transmitted by them the words "Official Business," and should report to the Postmaster-General any charges in excess of the above rates.

T. O. HOWE,
Postmaster-General.

TELEGRAPH COMPANIES SUBJECT TO THE PROVISIONS OF THIS ORDER.

The following is a list of telegraph companies that have filed acceptance of the provisions of the act of July 24, 1866, up to the 30th day of June, 1882:

1. The American Submarine Telegraph Company of New York, N. Y. Received and filed July 24, 1866.

2. The National Telegraph Company of New York, N. Y. Received and filed July 30, 1866.
3. The Globe Insulated Lines Telegraph Company of New York. Received and filed July 31, 1866.
4. International Telegraph Company of Portland, Me. Received and filed October 6, 1866.
5. The Atlantic and Pacific Telegraph Company of New York, N. Y. Received and filed March 19, 1867.
6. The Franco-American Land and Ocean Telegraph Company of New York, N. Y. Received and filed April 6, 1867.
7. The Globe Telegraph Company of New York. Received and filed May 30, 1867.
8. Mississippi Valley National Telegraph Company of Saint Louis, Mo. Received and filed June 4, 1867.
9. Western Union Telegraph Company of New York. Received and filed June 8, 1867.
10. Northwestern Telegraph Company of Kenosha, Wis. Received and filed July 30, 1867.
11. Great Western Telegraph Company of New York. Received and filed January 17, 1868.
12. The Franklin Telegraph Company of Boston, Mass. Received and filed April 4, 1868.
13. The Insulated Lines Telegraph Company of Boston, Mass. Received and filed April 13, 1868.
14. Pacific and Atlantic Telegraph Company of Pittsburgh, Pa. Received and filed July 22, 1868.
15. The Atlantic and Pacific States Telegraph Company of Sacramento, Cal. Received and filed September 7, 1868.
16. The Eastern Telegraph Company of Philadelphia, Pa. Received and filed October 5, 1868.
17. The Delaware River Telegraph Company, Philadelphia, Pa. Received and filed October 23, 1868.
18. Cape May and Shore Telegraph Company, New York City. Received and filed April 2, 1869.
19. Peninsula Telegraph Company, New York City. Received and filed May 9, 1869.
20. Ocean Telegraph Company of Boston, Mass. Received and filed July 15, 1869.
21. The American Cable Company of New York. Received and filed April 15, 1870.
22. Southern and Atlantic Telegraph Company of Philadelphia, Pa. Received and filed July 22, 1870.
23. International Ocean Telegraph Company, New York City. Received and filed January 20, 1871.
24. Missouri River Telegraph Company of Sioux City, Iowa. Received and filed May 3, 1871.
25. The Marine and Inland Telegraph Company of New Jersey, 715 Locust street, Philadelphia. Received and filed November 27, 1872.
26. Atlantic and Pacific Telegraph Company of Missouri. Executive office, 145 Broadway, New York City. Received and filed May 8, 1877.
27. New Jersey and New England Telegraph Company. Received and filed November 21, 1878. Address A. L. Worthington, No. 10 Green street, Trenton, N. J.
28. The American Rapid Telegraph Company, 41 Wall street, New York. Received and filed April 12, 1879. Special rates received and filed April 1, 1881.
29. Central Union Telegraph Company, 145 Broadway, New York. Received and filed May 9, 1879.
30. New York Land and Ocean Telegraph Company. Received and filed May 10, 1879.
31. Deseret Telegraph Company, Salt Lake City, Utah. Received and filed May 19, 1879.
32. American Union Telegraph Company of New York, 145 Broadway, New York. Received and filed June 28, 1879.
33. The American Union Telegraph Company of Missouri, Charles S. Greeley, president, Saint Louis, Mo. Received and filed July 9, 1879.
34. Wabash Railway Company, Cyrus W. Field, president, New York. Received and filed July 11, 1879.
35. The American Union Telegraph Company of New Jersey, D. H. Bates, president, Jersey City, N. J. Received and filed July 17, 1879.
36. The Baltimore and Ohio Railroad Company of Maryland, John W. Garrett, president, Baltimore, Md. Received and filed July 18, 1879.
37. The American Union Telegraph Company of Baltimore City, Md. Received and filed July 31, 1879.
38. The Deer Lodge Telegraph Company of Butte City, Mont. Received and filed August 30, 1879.

39. The American Union Telegraph Company of Pennsylvania, D. H. Bates, president, Philadelphia. Received and filed September 4, 1879.
40. The American Union Telegraph Company of Indiana, La Fayette, Ind. Received and filed September 12, 1879.
41. The Cheyenne and Black Hills Telegraph Company, W. H. Hibbard, superintendent, Cheyenne, Wyo. Received and filed November 7, 1879.
42. The American Union Telegraph Company of Ohio, Frank B. Swayne, president, Toledo, Ohio. Received and filed November 8, 1879.
43. The American Union Telegraph Company of Louisiana, Ed. Leloup, secretary, New Orleans, La. Received and filed March 1, 1880.
44. Baltimore and Ohio Telegraph Company of Ohio, George Hoadly, president, Cincinnati, Ohio. Received and filed September 3, 1880.
45. The Wabash, Saint Louis and Pacific Railway Company, of Saint Louis, Mo., Solon Humphreys, president, No. 80 Broadway, New York, N. Y. Received and filed September 13, 1880.
46. Baltimore and Ohio Telegraph Company of Illinois, C. H. Hudson, president, No. 81 South Clark street, Chicago, Ill. Received and filed September 23, 1880.
47. Frontier Telegraph Company of Texas, G. O. Appleby, president, Lampasas, Tex. Received and filed October 25, 1880.
48. Bankers and Merchants' Telegraph Company of New Jersey, J. Heron Coosman, president, No. 58 Broadway, New York, N. Y. Received and filed April 21, 1881.
49. Bankers and Merchants' Telegraph Company of New York, William W. Maris, president, No. 58 Broadway, New York, N. Y. Received and filed June 8, 1881.
50. Mutual Union Telegraph Company of Illinois, Carroll Sprigg, secretary, Chicago, Ill. Received and filed October 24, 1881.
51. Mutual Union Telegraph Company of Missouri, Carroll Sprigg, secretary, Chicago, Ill. Received and filed November 14, 1881.
52. New Jersey Mutual Telegraph Company, John H. Walker, secretary, Newark, N. J. Received and filed November 17, 1881.
53. Bankers and Merchants' Telegraph Company, William W. Maris, president, 58 Broadway, New York. Received and filed December 8, 1881.
54. Baltimore and Ohio Telegraph Company of Pennsylvania, Welty McCullogh, secretary, Pittsburgh, Pa. Received and filed March 6, 1882.
55. East Tennessee Telephone Company, D. J. Carson, secretary, New York. Received and filed May 31, 1882.

The origin of the law of 1866 is briefly as follows: In 1866 application was made to Congress to incorporate the "National Telegraph Company," with the intent of building and operating lines throughout the United States under one act of incorporation; and likewise to secure certain rights of way across the public domain and along railroads and other roads declared by Congress to be post-routes, as well as across rivers and elsewhere within territory under the jurisdiction of Congress.

Pending action upon this bill, it was amended so as to make it a general law, applicable to all telegraph companies, and is the law referred to in this bill as having been approved July 24, 1866, entitled "An act to aid in the construction of telegraph lines, and to secure to the government the use of the same for postal, military, and other purposes."

It was pleaded at that time that such interference on the part of the government looking to the incorporation of such a telegraph company as was proposed was the nucleus of transferring the telegraph business of the United States to the government, and the Western Union Telegraph Company claimed that, having expended many millions of dollars in the development of their system, so that at that time it practically covered the whole of the United States, this law, even though made general in its application, should not be put into operation at once, but that the Western Union Telegraph Company should have an opportunity of realizing some benefit from their large investment before extensive competition should be built up either by the aid of Congress or by the United States Government itself, and the Western Union Telegraph Company consented to accept the provisions of the act above referred to if they were allowed to have full control of their property without interference for five years from the date of the approval of the above act.

Such provision was made, and the inducement at that time to invest a large sum of money in the development of a separate telegraph system, under the conflicting laws of the several States, was withdrawn by the failure of Congress to grant this act of national incorporation. Since that time the Western Union Telegraph Company has practically monopolized the telegraph business of the country; for, although numerous opposition lines have been commenced, constructed, and operated up to a certain point, so many difficulties were met and found almost impossible to overcome, that sooner or later they were broken down and absorbed by the larger company. This was particularly the case in the history of the Pacific and Atlantic Telegraph Company, which, up to 1873, had established a system of lines reaching from New York to New Orleans, Saint Louis, and Chicago, and connecting with the Great Western Telegraph Company, which extended west, southwest, and northwest from Chicago; and also connecting, through the Franklin Telegraph Company, with the Southern and Atlantic Telegraph Company, which extended from Washington City to New Orleans.

The Pacific and Atlantic Telegraph Company having been absorbed by the Western Union Telegraph Company in 1873, the Southern and Atlantic followed in 1875. The Atlantic and Pacific Telegraph Company was being developed in the mean time, and up to 1877 had extended its lines from New York to Omaha (where it connected with the telegraph lines of the Union and Central Pacific Railroad Companies, which gave it an outlet to the Pacific coast), and from New York to Saint Louis, New Orleans, and intermediate points, connecting at New York with the Franklin Telegraph Company, which had lines through the principal portions of New England, and likewise from New York to Washington. These companies were practically absorbed by the Western Union Telegraph Company in the summer of 1877, and finally extinguished by an attempted consolidation in January, 1881.

In 1879 Congress, by an amendment to the Army appropriation bill, approved June 23, 1879, authorized the various railroads of the country to do a general telegraph business, under which provision the American Union Telegraph Company was developed. This company had lines through New England and from New York to Omaha (where it connected, through the Pacific railroads, with the Pacific coast), Kansas City, Saint Louis, New Orleans, and intermediate points; and was likewise absorbed by the Western Union Telegraph Company, through an attempted consolidation, in January, 1881.

The difficulty which most of these telegraph companies met with in developing a means for cheapening telegraphic communication throughout the country was, that the Western Union Telegraph Company constantly contested with them the rights intended to be granted by Congress under the act approved July 24, 1866, granting the rights of way along the railroad post-routes of the United States. There were numerous conflicting decisions as the outgrowth of these litigations, although the United States courts generally decided against them.

In the year 1874 the Western Union Telegraph Company desired to build a telegraph line across the State of Florida to connect with the International Ocean Telegraph Cable to Cuba; owned by the Western Union Telegraph Company. The right to build and operate telegraph lines in Florida was claimed by a State organization, which company attempted to prevent the Western Union Telegraph Company from constructing their proposed line. This the Western Union Telegraph Company contested, and pleaded their rights under the act approved July 24, 1866, which theretofore they had always denied to other telegraph

companies. The case finally reached the Supreme Court of the United States, and a decision was rendered by the Supreme Court in the October term of 1878, which is set forth at length in the United States Supreme Court Reports, volume No. 96, page 1, where the court took the broad ground that no State could legislate so as to prevent interstate commerce, which telegraphic communication was decided to be.

Another great obstacle to the successful development of cheap telegraphy in this country lay in the fact that in 1868 Congress passed a bill, approved the 19th day of March, 1868, intended to confer an honorable recognition upon Charles G. Page for an alleged invention known as his "induction-coil apparatus and circuit-breaker," which invention had been recognized by the Government of France as in one of her own citizens. The "Page patent," so called, was issued in such terms as to make it possible to distort it from its original intent under the act of Congress to a revival of the claims under the Morse patent, which latter, after an extension by Congress, had finally expired in 1865.

In 1869 the Western Union Telegraph Company saw its opportunity to secure control of the "Page patent," and had it reissued October 11, 1871, so that in more specific terms it should revive the invention of Professor Morse, and under this claim the Western Union Telegraph Company has undertaken since then to monopolize the telegraph business by declaration and claim of right and by annoying litigation against all telegraph companies and various railroad companies using the ordinary telegraph instrument, in case they should combine to constitute a telegraph company in opposition to the Western Union Telegraph Company.

The most active contest was made by the Western Union Telegraph Company against the American Union Telegraph Company, and the defense set up was so conclusive that it was not pressed to final decree, but was one of the agencies used to bring about the alleged consolidation of the Western Union Telegraph Company with the American Union Telegraph Company in 1881, before referred to.

As soon as this attempted consolidation had taken place other organizations were incorporated to occupy the field of opposition, especially the Mutual Union Telegraph Company, which, during 1881 and 1882, has erected some 40,000 miles of wire, reaching various points in New England and points north of the Ohio and Potomac Rivers and east of the Mississippi. Also, the American Rapid Telegraph Company and Postal Telegraph Company.

No sooner had these companies organized than the Western Union Telegraph Company immediately entered suit, with claims of absolute right to the "Page patent," and such litigations are now pending, although not as yet pressed to trial.

The Mutual Union Telegraph Company having been subjected to litigations in the interest of the Western Union Telegraph Company, has finally succumbed, and on Saturday, February 10, 1883, there was an alleged lease of the Mutual Union Telegraph Company by the Western Union Telegraph Company.

The principal opposition company now remaining which promises any permanency is being developed by the Baltimore and Ohio Railroad Company.

These various opposition companies that have existed from 1866 to the present time, whilst finally absorbed by the Western Union Telegraph Company, have been the means of greatly reducing the cost of telegraphic communication to the government, the people, and the press. Notwithstanding this, the Western Union Telegraph Company

has continued to show enormous gross and net earnings, so that, although they increased their capital from \$41,000,000 in 1880 to \$80,000,000 in 1881, the profits of the business have enabled them, according to their statements, to pay 6 per cent. on the *doubled* capital and accumulate a surplus. This is the strongest evidence that the rates can be very much reduced to the people by the construction of lines for *cash* instead of through construction companies, issuing large amounts of bonds and stock as bonuses.

The question of postal telegraphy has, during this interim, from time to time, been actively discussed, and at various sessions of Congress bills have been introduced, long investigations been made by Congressional committees, all looking to the cheapening of the cost of telegraphic communication by some measure of legislation.

Objection has always been made by the Western Union Telegraph Company to the establishment of a postal telegraph system controlled by the United States Government in connection with the post-office service of the country, and sundry attempts at the establishment of such postal system have been defeated by the interposition of agencies and influences unknown to your committee.

The later combinations which have resulted in the maintaining and extending the monopoly of the Western Union Telegraph Company have given renewed interest to the question of the policy to be followed by Congress. The telegraph has now become a matter of absolute necessity to the people of this country, and the number of messages transmitted annually are increasing in ratio with every year, as is shown by the following tables contained in the annual reports of the Western Union Telegraph Company:

Table exhibiting the amount of telegraph lines operated, number of offices, number of messages sent, receipts, expenses, and profits, for each year since 1866.

Year.	Miles of poles.	Miles of wire.	Offices.	Messages.	Receipts.	Expenses.	Profits.
1866	37, 380	75, 686	2, 250				
1867	46, 270	85, 291	2, 565	5, 879, 282	\$6, 568, 925 36	\$3, 944, 005 63	\$2, 624, 919 73
1868	50, 183	97, 594	3, 219	6, 404, 595	7, 004, 560 19	4, 362, 849 32	2, 641, 710 87
1869	52, 099	104, 584	3, 607	7, 934, 933	7, 316, 918 30	4, 568, 116 85	2, 748, 801 45
1870	54, 109	112, 191	3, 972	9, 157, 646	7, 138, 737 96	4, 910, 772 42	2, 227, 965 54
1871	56, 032	121, 151	4, 606	10, 646, 077	7, 637, 448 85	5, 104, 787 19	2, 532, 661 66
1872	62, 033	137, 190	5, 237	12, 444, 499	8, 457, 095 77	5, 666, 863 16	2, 790, 232 61
1873	65, 757	154, 472	5, 740	14, 456, 832	9, 333, 018 51	6, 575, 055 82	2, 757, 962 69
1874	71, 585	175, 735	6, 188	16, 329, 256	9, 262, 653 98	6, 755, 733 83	2, 508, 920 15
1875	72, 833	179, 496	6, 565	17, 153, 710	9, 564, 574 60	6, 335, 414 77	3, 229, 157 83
1876	73, 632	183, 832	7, 072	18, 729, 567	10, 034, 983 66	6, 635, 473 69	3, 399, 509 97
1877	76, 955	194, 323	7, 500	21, 158, 941	9, 812, 352 61	6, 672, 224 94	3, 140, 127 67
1878	81, 002	206, 202	8, 014	23, 918, 894	9, 861, 355 23	6, 309, 812 53	3, 551, 542 70
1879	82, 987	211, 566	8, 534	25, 070, 106	10, 990, 840 46	6, 160, 200 37	4, 800, 440 09
1880	85, 645	233, 534	9, 077	29, 215, 509	12, 782, 834 53	6, 948, 956 74	5, 833, 937 79
1881	110, 340	327, 171	10, 737	32, 500, 000	14, 393, 543 85	8, 485, 264 13	5, 908, 279 72
1882	131, 060	374, 368	12, 068	38, 842, 247	17, 114, 165 92	9, 996, 095 92	7, 118, 070 00

Whether such postal system shall be established or not, or whether the control of the telegraph business of the country shall be left in private hands, subject to such legislation as Congress may deem advisable to secure reasonable competition without the danger of constant absorption on the part of the Western Union Telegraph Company, is a question to be seriously considered aside and apart from the fact that the rates could be largely reduced and yet the telegraph system be a source of great revenue to the Government of the United States.

The act of 1866 provided that Congress could, at any time after five years from that time, purchase, at an appraisal, any or all the telegraph

property of the companies then existing which should file assent to the provisions of that act. Assent to that act was given by most, if not all, of the telegraph companies of the country, and as well by the Western Union Telegraph Company, which resolution of their board was filed in the Post-Office Department at Washington June 5, 1867.

The question of taking possession of the telegraph lines by purchase immediately raises the inquiry as to what would constitute their value, so as to furnish data for decision as to whether it were in the interest of the government and the public to purchase these lines or to establish lines of its own, which should be built at actual cost. This would involve an investigation into the circumstances surrounding the telegraph property of the country claimed to be owned by private corporations, and also include the question whether they were possessed of any franchises of value to the government which could not be used by anybody entering the field.

It is believed that there is at the disposal of the government, or of any corporation which shall receive the sympathy and recognition of the government, methods for transmitting telegraphic messages that would enable a reduction in cost from 25 to 50 per cent., which, upon lines constructed on a cash basis, would still furnish large returns on the capital so invested, and yet greatly benefit the people of the country.

This reduction in the cost of telegraphic service, however, would raise the question as to whether a large reduction in such cost would not to some extent affect the revenues of the Post-Office Department by inducing the business of the country to transact the larger portion of their business by telegraph rather than, as they now do, by mail. These matters could only be intelligently discussed after the inquiries were instituted, as suggested by the proposed bill, creating a commission to report upon the subject at the next session of Congress.

The plan suggested by the bill, of having a certain portion of the commission selected from the House and Senate, is desirable, so that the report submitted shall be practically a Congressional report, which, however, was not possible, in view of the expiration of the term of the present House of Representatives. It was therefore suggested, as a substitute measure, that the end could be gained by authorizing the President to select from the House and Senate a certain number who were members of the present House and Senate, and also members-elect of the respective Houses in the next Congress.

The legislation asked for is wholly in the direction of a cheap telegraph system, and especially beneficial to the great body of the people.

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